

MR01

Particulars of a charge

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Laserform

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery

☒ You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record. **Do not send the original.**

THURSDAY



A07 *A3KLJOQP* 13/11/2014 #137
COMPANIES HOUSE

1 Company details

Company number 01154019

Company name in full Microlease plc

For official use

→ **Filling in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 07/11/2014

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name PNC Financial Services UK Ltd

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ Yes Continue

☒ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8

Trustee statement ¹

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

¹ This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X Mills & Reeve LLP X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge

**Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Tom Benjamin

Company name Mills & Reeve LLP

Address Botanic House

100 Hills Road

Post town Cambridge

County/Region Cambridgeshire

Postcode C B 2 1 P H

Country United Kingdom

DX DX 122891 Cambridge 4

Telephone 01223 364422

**Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy

**Important information**

Please note that all information on this form will appear on the public record

**How to pay**

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper

Make cheques or postal orders payable to 'Companies House'

**Where to send**

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales.
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

**Further information**

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number. 1154019

Charge code: 0115 4019 0015

The Registrar of Companies for England and Wales hereby certifies that a charge dated 7th November 2014 and created by MICROLEASE PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 13th November 2014

DX.

Given at Companies House, Cardiff on 19th November 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

We/ certify that this is a true and complete copy
of the original document
Mills & Reeve LLP
For Mills & Reeve LLP, Solicitors
Ref *CTBE* Botanic House
Date *12/11/2014* 100 Hills Road
Cambridge
CB2 1PH

DATED 7 November 2014

MICROLEASE PLC

as CHARGOR

IN FAVOUR OF

PNC BUSINESS CREDIT a trading style of

PNC FINANCIAL SERVICES UK LIMITED

as PNC

SHARE CHARGE

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THIS CHARGE is dated 7 November 2014 and made between:

- (1) **MICROLEASE PLC**, a company incorporated in England and Wales (registered number 01154019) with its registered office at Unit 1 Waverley Business Park, Hailsham Drive, Harrow, HA1 4TR (the **Chargor**) in favour of
- (2) **PNC BUSINESS CREDIT** a trading style of **PNC FINANCIAL SERVICES UK LTD** a company registered in England and Wales (registered number 07341483) with its registered office at PNC House, 34-36 Perrymount Road, Haywards Heath, RH16 3DN (**PNC**).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Master Facilities Agreement shall, unless otherwise defined in this Charge, have the same meaning when used in this Charge and in addition:

Act means the Law of Property Act 1925

Charged Property means the Shares and Related Rights.

Collateral Rights means all rights, powers and remedies of PNC provided by or pursuant to this Charge or by law.

Company means Livingston Group Limited, a company incorporated in England and Wales (registered number 04782833) with its registered office at Livingston House, 2 Queens Road, Teddington, Middlesex, TW11 0LB.

Deed of Priority means the deed of priority dated the same date as this Charge and made between the Chargor, PNC, HSBC Bank plc, HSBC Equipment Finance UK Limited and HSBC Asset Finance UK Limited

Derivative Assets means all assets derived from any of the Shares including all allotments, accretions, offers, rights, dividends, interest, income, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to any of the Shares and all stocks, shares, rights, money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, exchange, purchase, substitution, option, interest or otherwise in respect thereof

Enforcement Event the occurrence of an event which results in the Security created by or pursuant to this Charge becoming enforceable in accordance with Clause 10.1 (*Enforcement*)

Event of Default has the meaning given to it in the Master Facilities Agreement.

Finance Documents has the meaning given to that term in the Master Facilities Agreement.

Master Facilities Agreement means the Master Facilities Agreement dated 1 December 2011 between PNC, the Company and Livingston UK Limited.

Related Rights means, in relation to the Shares:

- (a) the proceeds of sale of all or any of the Shares;
- (b) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of the Shares;
- (c) any monies and proceeds paid or payable in respect of the Shares; and
- (d) any Derivative Assets

Secured Obligations means all obligations covenanted to be discharged by the Chargor in Clause 3.1 (*Covenant to pay*)

Shares means

- (a) all of the shares in the capital of the Company from time to time (in each case whether held directly by, to the order or on behalf of the Chargor or by any trustee, nominee, fiduciary or clearance system),
- (b) all rights to subscribe for, convert into, or otherwise acquire such shares,
- (c) where such shares are held by a trustee, nominee, fiduciary or clearance system, all rights against such persons; and
- (d) including, without limitation, those shares specified in Schedule 1.

1.2 Interpretation

In this Charge

- 1.2.1** the rules of interpretation contained in Clause 1.2 (*Interpretation*) of the Master Facilities Agreement shall apply to the construction of this Charge;
- 1.2.2** any reference to **PNC** or the **Chargor** or any other person shall be construed so as to include its or their (and any subsequent) successors and any permitted transferees in accordance with their respective interests,
- 1.2.3** references in this Charge to any Clause or Schedule shall be to a clause or schedule contained in this Charge; and

- 1.2.4** an Event of Default is "**continuing**" if it has not been waived in writing, in each case to the satisfaction of PNC. Any waiver given by PNC shall only apply to the specific occurrence of the specific event referred to in such waiver.

1.3 Third Party Rights

- 1.3.1** Unless expressly provided to the contrary in this Charge a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Charge.
- 1.3.2** Notwithstanding any term of this Charge, the consent of any person who is not a Party is not required to rescind or vary this Charge at any time.

1.4 Inconsistency

In the event of any inconsistency arising between any of the provisions of this Charge and the Master Facilities Agreement or the Deed of Priority, the provisions of the Master Facilities Agreement or the Deed of Priority (as the case may be) shall prevail.

1.5 Deed

It is intended that this Charge takes effect as a deed notwithstanding the fact that a party may only execute this document under hand

1.6 Finance Document

This Charge is designated as a Finance Document.

2. LIMITED RECOURSE

Notwithstanding any other provision of this Charge, PNC confirms that its recourse against the Chargor is limited to the Charged Property and its rights of enforcement and recovery against the Charged Property pursuant to the terms of this Charge and, therefore, the total amount recoverable from or against the Chargor under this Charge shall be limited to the Charged Property and the aggregate proceeds received by PNC as a result of realising the Charged Property in accordance with the terms of this Charge.

3. PAYMENT OF SECURED OBLIGATIONS

3.1 Covenant to pay

Subject to Clause 2 above, the Chargor hereby covenants with PNC that it shall discharge all obligations, as and when they fall due in accordance with their terms, which the Chargor and/or any member of the Group may at any time have to PNC under or pursuant to the Finance Documents (including this Charge) including any liabilities in respect of any further advances made under the Finance Documents, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or as surety or in some other capacity). The Chargor shall pay to PNC when due and payable every sum at any time owing, due or incurred by the Chargor to PNC in respect of any such liabilities provided that neither such covenant nor the security constituted by this Charge shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or security to be unlawful or prohibited by any applicable law.

3.2 Interest on demands

If the Chargor fails to pay any sum on the due date for payment of that sum the Chargor shall pay interest on any such sum (before and after any judgment and to the extent interest at a default rate is not otherwise being paid on such sum) from the date of demand until the date of payment calculated on a daily basis at the Default Rate.

4. CHARGE

The Chargor hereby charges by way of first fixed charge and mortgages with full title guarantee in favour of PNC as security for the payment and discharge of the Secured Obligations, all its right, title and interest from time to time in and to the Shares and all Related Rights.

5. PERFECTION OF SECURITY

5.1 Following receipt by the Chargor of a stamped stock transfer form transferring the Shares to the Chargor, or after the date on which any Shares are issued to the Chargor after the date of this Charge, the Chargor shall promptly (and in any event within 5 Business Days of receipt of such stamped stock transfer form) deposit with PNC (or procure the deposit of):

5.1.1 all certificates or other documents of title to such Shares, and

5.1.2 stock transfer forms in such form as PNC shall reasonably require with the name of the transferee, the consideration and the date kept blank but otherwise duly completed and executed by or on behalf of the Chargor in relation to such Shares, **provided that** PNC shall not be entitled to

complete such stock transfer forms or instruments of transfer until after the occurrence of an Enforcement Event

5.2 The Chargor shall, promptly upon the accrual, offer or issue of any Derivative Assets, notify PNC of that occurrence and procure the prompt delivery to PNC of

5.2.1 all certificates or other documents of title representing such Derivative Assets, and

5.2.2 such stock transfer forms or other instruments of transfer with the name of the transferee, the consideration and the date left blank but otherwise duly completed and executed by or on behalf of the Chargor in respect of such Derivative Assets as PNC may reasonably request, **provided that** PNC shall not be entitled to complete such stock transfer forms or instruments of transfer until after the occurrence of an Enforcement Event.

6. FURTHER ASSURANCE

6.1 Necessary action

The Chargor shall at its own expense take all such action as is available to it (including making all filings and registrations) as PNC may reasonably request in writing for the purpose of the creation, perfection, protection, confirmation or maintenance of any security created or intended to be created in favour of PNC by or pursuant to this Charge

6.2 Implied covenants for title

The obligations of the Chargor under this Charge shall be in addition to the covenants for title deemed to be included in this Charge by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994.

6.3 Value of security

The Chargor shall not do or cause or knowingly permit to be done anything which would in any material way depreciate, jeopardise or otherwise prejudice the value of the security created or intended to be created by this Charge.

7. NEGATIVE PLEDGE AND DISPOSALS

7.1 Security

The Chargor shall not, at any time during the subsistence of this Charge, create or permit to subsist any Security over all or any part of the Charged Property other than pursuant to this Charge.

7.2 No disposal of interests

The Chargor shall not (and shall not agree to) at any time during the subsistence of this Charge, other than pursuant to this Charge

- 7.2.1** execute any transfer or assignment of, or other right to use, all or any part of the Charged Property,
- 7.2.2** create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of the Charged Property;
- 7.2.3** do, or omit to do, any other act or thing which may, in each case, adversely affect the validity and enforceability of the security created by this Charge or the ability of PNC to exercise any of the Collateral Rights, or
- 7.2.4** lend or otherwise dispose of, or grant any rights (whether of pre-emption or otherwise) over, all or any part of the Charged Property

8. REPRESENTATIONS AND WARRANTIES

The Chargor represents and warrants on the date of this Charge and on each day prior to the release of the security constituted by this Charge in accordance with Clause 17.1 (*Redemption of security*) that

- 8.1.1** it is the sole legal and beneficial owner of the Charged Property;
- 8.1.2** no Security or Quasi-Security exists over the Charged Property, other than as granted pursuant to this Charge;
- 8.1.3** none of the Shares or Related Rights is the subject of any claim, assertion, right, action or other restriction or arrangement of whatever nature which does or may impinge upon the ownership of the Shares or Related Rights by the Chargor, other than pursuant to this Charge, and
- 8.1.4** the Shares and Related Rights are and will be fully paid up.

9. SHARES AND RELATED RIGHTS

9.1 Dividends and voting rights: before an Enforcement Event

Prior to the occurrence of an Enforcement Event, the Chargor shall be entitled to:

- 9.1.1** receive and retain all dividends, interest and other monies arising from the Shares and/or the Related Rights; and
- 9.1.2** exercise all voting rights in relation to the Shares **provided that** the Chargor shall not exercise such voting rights in any manner inconsistent with the security created or intended to be created by this Charge or in a manner which is in breach of any Finance Document or otherwise permit or

agree to any (a) variation of the rights attaching to or conferred by any of the Shares or (b) increase in the issued share capital of the Company, which in the reasonable opinion of PNC would materially prejudice the value of, or the ability of PNC to realise the security created by, this Charge.

9.2 Dividends and voting rights: after an Enforcement Event

Upon the occurrence of an Enforcement Event, PNC may at its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor)

- 9.2.1** exercise (or refrain from exercising) any voting rights in respect of the Shares;
- 9.2.2** apply all dividends, interest and other monies arising from the Shares in accordance with Clause 12 (*Application of monies*);
- 9.2.3** transfer the Shares into the name of such nominee(s) of PNC as it shall require; and
- 9.2.4** exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares, including the right, in relation to the Company, to concur or participate in
 - (a) the reconstruction, amalgamation, sale or other disposal of the Company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence of such event),
 - (b) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
 - (c) the exercise, renunciation or assignment of any right to subscribe for such shares or securities,

in each case in such manner and on such terms as PNC may think fit, and the proceeds of any such action shall form part of the Charged Property

9.3 Payment of calls

The Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Shares or any Related Rights, and in any case of default by the Chargor in such payment, PNC may, if it thinks fit, make such payment on behalf of the Chargor in which case any sums paid by PNC shall be reimbursed by the Chargor to PNC on demand and shall carry interest from the date of payment by PNC until reimbursed at the rate and in accordance with Clause 10.3 (*Default interest*) of the Master Facilities Agreement.

9.4 Delivery of documents

After the occurrence of an Enforcement Event, the Chargor shall, promptly on the request of PNC, deliver (or procure delivery) to PNC any document which PNC may reasonably request (in such form and executed as PNC may reasonably require) with a view to perfecting or preserving its security over the Shares and Related Rights or to registering any Shares or Related Rights in its name or the name of any nominee(s)

9.5 Exercise of rights

The Chargor shall not exercise any of its rights and powers in relation to the Shares or Related Rights in any manner which, in the reasonable opinion of PNC, would prejudice the ability of PNC to realise the security created by this Charge

9.6 No restrictions on transfer

The Chargor shall.

9.6.1 ensure that the Shares and Related Rights are at all times free from any restriction on transfer, under any relevant constitutional documents or other agreement or document to which the Chargor is a party, by PNC (or its nominee(s)) to perfect or enforce the security conferred or intended to be conferred by this Charge; and

9.6.2 procure that the board of directors of the Company approves any transfer of any of the Shares and Related Rights (if such approval is required) desired to be made by PNC in the exercise of the rights, powers and remedies conferred upon it by this Charge or by law.

9.7 Communications

The Chargor shall notify PNC of the contents of any material communication or document received by it in relation to any of the Shares and Related Rights.

9.8 Variation of rights

The Chargor shall not, by the exercise of any voting rights or otherwise, permit or agree to any proposed compromise, arrangement, capital reorganisation, conversion, exchange, repayment or takeover offer affecting or in respect of any of the Shares or Related Rights.

9.9 Obligations generally

The Chargor shall in all material ways comply with every covenant (whether restrictive or otherwise), obligation and provision on its part to be complied with contained in any document affecting the Shares and Related Rights or their use and enjoyment

10. ENFORCEMENT OF SECURITY

10.1 Enforcement

At any time after:

- 10.1.1** the occurrence of an Event of Default which is continuing;
- 10.1.2** the Chargor requests PNC to exercise any of its powers under this Charge,
- 10.1.3** a petition or application is presented for the making of an administration order in relation to the Chargor, or
- 10.1.4** any person who is entitled to do so gives written notice of its intention to appoint an administrator of the Chargor or files such a notice with the court;

the security created by or pursuant to this Charge is immediately enforceable and PNC may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion

- (a) enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Property, and PNC (or its nominee(s)) shall have an immediate and absolute power of sale or other disposition over the Charged Property (including, without limitation, the power to execute, seal, deliver or otherwise complete any transfers or other documents required to vest any of the Shares and/or Related Rights in PNC, any of its nominees or in any purchaser of any of the Shares and/or Related Rights); and
- (b) exercise all or any of the powers, authorities and discretions conferred by the Act (as varied or extended by this Charge) on mortgagees and by this Charge or otherwise conferred by law on mortgagees

10.2 No liability as mortgagee in possession

Neither PNC nor any of its nominees shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Charged Property to which a mortgagee or mortgagee in possession might otherwise be liable, and in particular PNC (or its nominee(s)) shall not be liable for any loss occasioned by any exercise or non-exercise of rights attached to the Shares or the Related Rights or by any failure to report to the Chargor any notice or other communication received in respect of the Shares

10.3 Right of appropriation

To the extent that any of the Charged Property constitutes "financial collateral" and this Charge and the obligations of the Chargor hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003 No. 3226) (the **Regulations**)) PNC shall have the right after an Enforcement Event has occurred to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations. For this purpose, the parties agree that the value of such financial collateral so appropriated shall in the case of the Shares, be the market price of such Shares determined by PNC by such process as PNC may select (acting reasonably), including independent valuation. In each case, the parties agree that the method of valuation provided for in this Charge shall constitute a commercially reasonable method of valuation for the purposes of the Regulations

10.4 Effect of moratorium

PNC shall not be entitled to exercise its rights under Clause 10.1 (*Enforcement*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986

11. EXTENSION AND VARIATION OF THE ACT

11.1 Extension of powers

The power of sale or other disposal conferred on PNC and its nominee(s) by this Charge shall operate as a variation and extension of the statutory power of sale under Section 101 of the Act and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Charge

11.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Act shall not apply to this Charge or to the exercise by PNC of its right to consolidate all or any of the security created by or pursuant to this Charge with any other security in existence at any time or to its power of sale, which powers may be exercised by PNC without notice to the Chargor on or at any time after the occurrence of an Enforcement Event.

11.3 Suspense account

If the security created by this Charge is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due,

PNC may pay the proceeds of any recoveries effected by it into a suspense account (bearing interest at a market rate).

12. APPLICATION OF MONIES

All monies received or recovered by PNC or its nominee(s) pursuant to this Charge or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Act) be applied by PNC (notwithstanding any purported appropriation by the Chargor) in or towards satisfaction of the Secured Obligations in such order as PNC in its absolute discretion may from time to time determine

13. PROTECTION OF PURCHASERS

13.1 Consideration

The receipt of PNC or its nominee(s) shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property or making any acquisition, PNC or any of its nominee(s) may do so for such consideration, in such manner and on such terms as it thinks fit

13.2 Protection of purchasers

No purchaser or other person dealing with PNC or any of its nominee(s) shall be bound to inquire whether the right of PNC or such nominee(s) to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of PNC or such nominee(s) in such dealings.

14. INDEMNITY

14.1 The Chargor shall within three Business Days of demand indemnify PNC against any cost, loss or liability reasonably and properly incurred by it as a result of:

14.1.1 the taking, holding, protection or enforcement of this Charge;

14.1.2 the exercise of any of the rights, powers, discretions and remedies vested in PNC by this Charge or by law; and

14.1.3 any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this Charge.

- 14.2** PNC may indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 14 and shall have a lien on the Security constituted by this Charge and the proceeds of the enforcement of the Security constituted by this Charge for all monies payable to PNC

15. POWER OF ATTORNEY

15.1 Appointment and powers

The Chargor by way of security irrevocably appoints PNC and any persons deriving title under it to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required for:

15.1.1 carrying out any obligation imposed on the Chargor by this Charge which the Chargor has failed to take (including the completion, execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Property); and

15.1.2 enabling PNC and any persons deriving title under it to exercise, or delegate the exercise of, any of the rights, powers, authorities and discretions conferred on them by or pursuant to this Charge or by law (including, after the occurrence of an Enforcement Event, the exercise of any right of a legal or beneficial owner of the Charged Property) and (without prejudice to the generality of the foregoing) to execute as a deed or under hand and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which it may reasonably deem proper in or for the purpose of exercising any of such rights, powers, authorities and discretions.

15.2 Ratification

The Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of its powers conferred under this Charge

15.3 PNC's power to remedy breaches

If at any time the Chargor fails in a material way to perform any of the covenants contained in this Charge it shall be lawful for PNC, but PNC shall have no obligation, to take such action on behalf of the Chargor (including, without limitation, the payment of money) as may in PNC's reasonable opinion be required to ensure that such covenants are performed Any losses, costs, charges and expenses incurred by PNC in taking such action shall be reimbursed by the Chargor on demand

16. EFFECTIVENESS OF SECURITY

16.1 Continuing security

16.1.1 The security created by or pursuant to this Charge shall remain in full force and effect as a continuing security for the Secured Obligations unless and until the Secured Obligations have been irrevocably and unconditionally discharged in full and the Finance Parties have no further obligation to make any advance available to any Obligor pursuant to any Finance Document

16.1.2 No part of the security from time to time intended to be constituted by this Charge will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

16.2 Cumulative rights

The security created by or pursuant to this Charge and the Collateral Rights shall be cumulative, in addition to and independent of every other security which PNC may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law. No prior security held by PNC over the whole or any part of the Charged Property shall merge into the security constituted by this Charge.

16.3 No prejudice

The security created by or pursuant to this Charge and the Collateral Rights shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Chargor or any other person, or PNC or by any variation of the terms of the trust upon which PNC holds the security or by any other thing which might otherwise prejudice that security or any Collateral Right

16.4 Remedies and waivers

No failure on the part of PNC to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver of that Collateral Right, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

16.5 No liability

Neither PNC nor any of its nominee(s) shall be liable by reason of (a) taking any action permitted by this Charge or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property.

16.6 Partial invalidity

If, at any time, any provision of this Charge is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Charge nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Charge is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

16.7 Waiver of defences

The obligations of the Chargor under this Charge will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Charge (without limitation and whether or not known to it) including:

- 16.7.1** any time, waiver or consent granted to, or composition with, any person; or
- 16.7.2** the release of any person under the terms of any composition or arrangement with any creditor of any member of the Group; or
- 16.7.3** the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security; or
- 16.7.4** any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person; or
- 16.7.5** any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature) or replacement of a Finance Document or any other document or security or of the Secured Obligations (including, without limitation, any increase to the Secured Obligations as may be agreed by the Parent from time to time); or
- 16.7.6** any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security or of the Secured Obligations, or
- 16.7.7** any insolvency or similar proceedings

16.8 Immediate recourse

The Chargor waives any right it may have of first requiring PNC to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this Charge. This waiver applies irrespective of any law or any provision of this Charge to the contrary.

16.9 Deferral of rights

Until such time as the Secured Obligations have been discharged in full, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Charge:

16.9.1 to be indemnified by any Obligor;

16.9.2 to claim any contribution from any guarantor of the Chargor's obligations under this Charge; and/or

16.9.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of PNC under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, this Charge by PNC

17. RELEASE OF SECURITY

17.1 Redemption of security

Upon the Secured Obligations being discharged in full and PNC being under no further actual or contingent obligation to make advances or provide other financial accommodation to the Chargor or any other person under any of the Finance Documents, PNC shall, as soon as reasonably practicable following a request from the Chargor, and at cost of the Chargor, release and cancel the security constituted by this Charge subject to Clause 17.2 (*Avoidance of payments*) and without recourse to, or any representation or warranty by, PNC or any of its nominees.

17.2 Avoidance of payments

If PNC reasonably considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of the Chargor under, and the security created by, this Charge shall continue and such amount shall not be considered to have been irrevocably paid

18. SET-OFF

The Chargor authorises PNC at any time after the occurrence of an Enforcement Event (but PNC shall not be obliged to exercise such right) to set off any Secured Obligation against any matured obligation owed by PNC to the Chargor, regardless of the place of payment, booking branch or currency of either the Secured Obligations or such obligation, and apply any credit balance to which the Chargor is entitled on any account with PNC in accordance with Clause 12 (*Application of Monies*). If the Secured Obligations and such obligation are in different currencies, PNC may convert either the Secured Obligations or such obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

19. SUBSEQUENT SECURITY INTERESTS

If PNC at any time receives or is deemed to have received notice of any subsequent security affecting all or any part of the Charged Property or any assignment or transfer of the Charged Property which is prohibited by the terms of this Charge or the Master Facilities Agreement, all payments made thereafter by or on behalf of the Chargor to PNC shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations as at the time when PNC received such notice.

20. ASSIGNMENT

20.1 The Chargor may not assign any of its rights and benefits or transfer any of its rights, benefits and obligations in respect of this Charge

20.2 PNC may only assign or transfer all or any of its rights or obligations under this Charge in accordance with the Finance Documents.

21. NOTICES

The provisions of schedule 1, paragraph 24 (*Notices*) of the Master Facilities Agreement shall apply to this Charge.

22. DISCRETION AND DELEGATION

22.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Charge by PNC may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons

22.2 Delegation

PNC shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Charge (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not

preclude either the subsequent exercise any subsequent delegation or any revocation of such power, authority or discretion by PNC itself. PNC shall not be in any way liable or responsible to the Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

23. COUNTERPARTS

This Charge may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Charge.

24. GOVERNING LAW

This Charge and all matters including non-contractual obligations arising out of or in connection with it are governed by English law.

25. JURISDICTION

25.1 English courts

The courts of England have jurisdiction to settle any dispute arising out of, or connected with this Charge (including a dispute regarding the existence, validity or termination of this Charge or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Charge) (a **Dispute**).

25.2 Convenient forum

The parties to this Charge agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

25.3 Exclusive jurisdiction

This Clause 25 is for the benefit of PNC only. As a result and notwithstanding Clause 25.1 (*English courts*), it does not prevent PNC from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law PNC may take concurrent proceedings in any number of jurisdictions.

THIS CHARGE has been signed on behalf of PNC and executed as a deed by the Chargor and is delivered by it on the date specified above

SCHEDULE 1

Shares

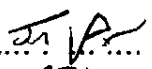
<u>Shareholder</u>	<u>Company in which shares are held</u>	<u>Class of share</u>	<u>Number of shares</u>
Microlease PLC	The Company	Ordinary shares of £0.01 each	79403
Microlease PLC	The Company	Redeemable Ordinary shares of £0.01 each	24900

SIGNATURES

THE CHARGOR

Executed as a **DEED** for and on behalf of
MICROLEASE PLC in the presence of:-



Witness Signature. 

Name: *J. P. Roberts*

Address *25 WILKINS*

..... *GUILDFORD*

..... *GU1 4LP*

Occupation: *Director*

PNC

EXECUTED as a **DEED** by **PNC BUSINESS)**
CREDIT a trading style of **PNC FINANCIAL)**
SERVICES UK LTD acting by two authorised)
attorneys

.....
Duly Authorised Attorney

.....
Duly Authorised Attorney